

Message Text

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ACTION ARA-14

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E.O. 11652: N/A
TAGS: BEXP, AR
SUBJECT: 1ST QUARTER FY-78 CCP REPORT: ARGENTINA

1. GENERAL: THE ARGENTINE ECONOMY EXPERIENCED A SLIGHT PUASE
IN THE 1ST QUARTER OF FY-78, A PAUSE BROUGHT ABOUT PURPOSELY
BY THE GOVERNMENT TO COOL OFF A GENERALLY OVERHEATED SYSTEM
AS A PART OF THE CONTINUING EFFORT TO COMBAT INFLATION:
(INFLATION IN 1977 WAS APPROX. 160PERCENT). FOREIGN EXCHANGE
RESERVES CONTINUED AT AN ALL TIME HIGH AND IMPORT DEMAND IS
EXPECTED TO CONTINUE GROWING FOLLOWING THE UPTURN EXPECTED
DURING THE 3RD QUARTER OF FY-78. THE GOA CONTINUES TO RELAX
IMPORT RESTRICTIONS OF ALL TYPES. IT IS A GOOD TIME TO SELL
IN ARGENTINA.

2. CAMPAIGN NO. 1 - PETROCHEMICAL INDUSTRY SERVICES AND EQUIPMENT
THE PROMOTION OF THE 36TH EXPOSITION OF CHEMICAL INDUSTRIES IN
CHICAGO IN DECEMBER ENABLED CAMPAIGN MANAGER (CM) AND OTHER
COMMERICAL OFFICERS TO COME INTO CONTACT WITH WELL OVER A
DOZEN INDUSTRY CONTACTS. AN "ASADO" WAS HELD FOR POTENTIAL
PARTICIPANTS WITH COOPERATION OF LOCAL TRAVEL AGENCY WHICH PUT
TOGETHER TOUR PURCHASE. APPROX. 12 PEOPLE ATTENDED SHOW
THAT WE ARE AWARE OF. WE CONTINUE TO SEARCH FOR AN ADEQUATE
SOURCE OF TECHNICAL ARTICLES FOR USE IN LOCAL TRADE PUBLICATIONS
WITHOUT SUCCESS. USIS PROVIDED ARTICLES, ALTHOUGH READILY
AVAILABLE, ARE NOT SUFFICIENTLY TECHNICAL TO BE OF INTEREST
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TO LOCAL TRADE PUBLICATIONS. WE HAVE WRITTEN TO NTIS WHICH DOES
NOT HAVE AVAILABLE TYPE OF ARTICLES WE ARE LOOKING FOR EITHER.
WE ARE GOING TO CORRESPONDE DIRECTLY WITH INDUSTRY ASSOCIATIONS.
THIS PROBLEM APPLIES TO ALL CAMPAIGNS.

3. CAMPAIGN NO. 3 - MINING AND HEAVY CONSTRUCTION EQUIPMENT
RECOMMEND ACTIONS 1 AND 5 BE COMBINED AND THAT SIX CALLS PER

QUARTER BE MADE TO CARRY OUT THIS COMBINED ACTION. (DECISION MAKERS AND FIRM EXECUTIVES ARE ESSENTIALLY THE SAME PEOPLE.) DESK STUDY (ACTION 4) WOULD APPEAR UNNECESSARY IN VIEW OF FACT MARKET SURVEY COMPLETED AT END OF LAST QUARTER AND IS NOW BEING TYPED IN FINAL. PLEASE CONCUR. PARTICULAR SUCCESS WAS ATTAINED IN PROMOTING THE SAO PAULO TRADE CENTER'S MINING AND MATERIALS HANDLING EQUIPMENT EXPOSITION. OVER 15 ARGENTINE BUSINESSMEN AND GOVERNMENT OFFICIALS, INCLUDING VIP'S DR. MONCHABLON AND DR. BOUCHER, OF THE SECRETARIAT OF MINING, ATTENDED. SIXTEEN FIRMS ON CONSTRUCTION FIRMS WERE SUBMITTED IN JULY 1977. CAMPAIGN MANAGER IS FSL-ALVARO MENDEZ INSTEAD OF PETER LONDONO WHO HAS BEEN TRANSFERRED FROM POST.

4. CAMPAIGN 4 - COMMUNICATIONS EQUIPMENT

CAMPAIGN MANAGER IS FSO-7 CHRISTOPHER WEBSTER INSTEAD OF ALVARO MENDEZ. CM, WHO IS FIRST TOUR OFFICER WHO REACHED POST AT BEGINNING OF FY-78 WAS UNDERSTANDABLY UNABLE TO GET IMMEDIATE START ON MARKET RESEARCH PIECE FOR THIS CAMPAIGN. HE DID BEING RESEARCH IN JAN 1978, HOWEVER, DURING DECEMBER CM WORKED WITH LOCAL SUBSIDIARY OF GTE TO FACILITATE INVITATION BY GTE TO SENIOR TELEPHONE COMPANY (ENTEL) OFFICIALS TO VISIT THEIR PLANT IN US. A RECEPTION BY THE AMBASSADOR WAS PLANNED TO SEND OFF TOURING OFFICIALS. BELIEVE THIS CAMPAIGN SHOULD BE EXPANDED TO INCLUDE STANDARD REQUIREMENT FOR CONTACT WITH DECISION MAKERS (6 PER QUARTER), AND TO INCLUDE TECHNICAL SEMINAR TO BE LOCALLY ORGANIZED DURING QUARTER BEGINNING JULY 1ST. UNCLASSIFIED

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PLEASE CONCUR.

5. OTHER POST SPECIAL EFFORTS - MAJOR PROJECTS

CONSIDERABLE EFFORT HAS BEEN EXPENDED AGAIN ON THE PULP AND PAPER SECTOR, WHERE 3 UPDATES, 1 EARLY WARNING AND 3 TRADE OPPORTUNITIES HAVE BEEN SUBMITTED. TEN (10) DECISION MAKERS HAVE BEEN VISITED. CONTACTS HAVE BEEN MADE IN STEEL INDUSTRY AND UPDATES OF FOUR STEEL PROJECTS SUBMITTED. A SIGNIFICANT AMOUNT OF TIME HAS BEEN SPENT IN PAVING THE WAY FOR NATIONAL MACHINE TOOL BUILDERS ASSOCIATION IOGA TRADE MISSION IN APRIL.

6. SAO PAULO TRADE CENTER SHOWS. POST HAS CONDUCTED MAILOUTS TOTALLING 900 FIRMS IN THIS QUARTER IN SUPPORT OF FOLLOWING USTC SHOWS: MINING MACHINERY AND MATERIALS HANDLING EQUIPMENT POLLUTION CONTROL EXPOSITION. TOTAL MAILOUTS FOR SIX SPTC SHOWS REQUIRED COMPIATION OF 6 SECTOR TARGET LISTS WHICH WERE CONTRACTED OUT TOTALLING 3,100 FIRMS. ADDITIONALLY WE HAVE BEEN REQUIRED TO CARRY OUT 42 REFFINDS FOR THESE SAME SHOWS.

7. PROMOTION WORK ON FOLLOWING US EXPOSITIONS ACCOMPLISHED DURING 1ST QUARTER: 36TH EXPOSITION FOR FOOD PROCESSORS, CHICAGO, DEC 5-8. INTERNATIONAL EXPOSITION FOR FOOD PROCESSORS, FEB 12-15,

CHICAGO. THREE MAILING LISTS WERE ASSEMBLED FOR THIS PURPOSE
TOTALLING 1,700 FIRMS. POST HAS SOUGHT SUPPORT OF A MORE
AGGRESSIVE TRAVEL AGENT, WHO IS UNDERTAKING THE TASK OF PROMOTING
U.S. TRADE SHOWS VERY PROFESSIONALLY, AND IS CLEARLY EXCEEDING OUR
EXPECTATIONS. AS A RESULT OF A SUSTAINED EFFORT DURING THE FIRST
TWO FISCAL YEARS IN PROMOTING U.S. TRADE SHOWS, THE MARKET IS
MORE RECEPTIVE TO THIS YEAR'S CAMPAIGNS.

8. ACTIVITY 4 - INVESTMENT PROTECTION AND FACILITATION
POST HAS REPORTED PERIODICALLY ON NEW LAWS PASSED DEALING WITH
FOREIGN INVESTMENT. IN ACCORDANCE CABLE INSTRUCTION, INVESTMENT
CLIMATE STATEMENT WILL BE SUBMITTED BY JAN 31ST. DEADLINE.

9. ACTIVITY 5 - INDUSTRIAL PROPERTY PROTECTION NEW LIBERAL
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TECHNOLOGY TRANSFER LAW WAS PASSED LAST AUG AND DETAILS WERE
REPORTED TO WASHINGTON. AS EMBASSY DOES NOT FEEL THAT OPPORTUNITIES
FOR U.S. INVESTMENT HAVE BEEN HINERED BY NEW LAW, ACTION #1
SEEMS UNNECESSARY. IN ACCORDANCE WITH ACTION #2, EMBASSY
PROTESTS UPON NOTIFICATION BY A U.S. COMPANY THAT ITS TRADEMARK
IS BEING INFRINGED UPON.

10. POST HAS REQUESTED INCREASED FUNDING FOR COMMERCIAL PROGRAMS/OR
BALANCE OF FY. SEE REF (BA-0269, ITEM 26). INCREASES REQUESTED ARE
TO ENABLE COMMERCIAL UNIT TO CONTRACT OUT ADDITIONAL WORK TO BETTER
ENABLE US TO COPE WITH WORKLOAD REQUIREMENTS GIVEN STAFF
SHORTAGES.
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